

E-002/M-89-400 CLARIFYING ORDER AND DENYING RECONSIDERATION OR
REOPENING

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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| Darrel L. Peterson | Chair |
| Cynthia A. Kitlinski | Commissioner |
| Norma McKanna | Commissioner |
| Robert J. O'Keefe | Commissioner |
| Patrice Vick | Commissioner |

In the Matter of the Implementation of an
Energy Conservation Improvement Program
for Northern States Power Company Electric
Utility

ISSUE DATE: March 16, 1990

DOCKET NO. E-002/M-89-400
E-002/GR-89-865

ORDER CLARIFYING ORDER AND
DENYING RECONSIDERATION OR
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PROCEDURAL HISTORY

On February 6, 1990, the Commission issued its ORDER ESTABLISHING CONSERVATION IMPROVEMENT PROGRAM, REQUIRING ADDITIONAL FILINGS, AND DEFERRING CONSIDERATION OF CERTAIN ISSUES TO THE COMPANY'S GENERAL RATE CASE in the above-entitled matter. Among other things, that Order deferred to Northern States Power Company's pending general rate case consideration of two proposals: 1. a proposal to quadruple the budget of its Load Management Rates Promotion program; and 2. a proposal to transfer that program from its general budget to its CIP budget.

On February 27, 1990, Northern States Power Company (NSP or the Company) filed a petition for reconsideration or clarification of the Commission's Order. The Company sought approval of its proposals on reconsideration. In the alternative, the Company requested an Order clarifying when it should file rate case testimony on the proposals and clarifying that, should the proposals be adopted in the rate case, full recovery of all 1990 Load Management Rates Promotion expenditures would be allowed through CIP accounting procedures.

The Department of Public Service filed comments opposing reconsideration and recommending that the Company be directed to file its rate case testimony as soon as possible, but no later than March 27, 1990.

The matter came before the Commission on March 13, 1990.

FINDINGS AND CONCLUSIONS

Reconsideration

Minn. Stat. § 216B.27, subd. 1 (1988) requires petitions for reconsideration or rehearing to be filed within 20 days of the date of the Order on which rehearing is sought. The Company did not meet this statutory deadline and has therefore failed to make a valid request for reconsideration.

The Company's failure to comply with the statutory deadline was inadvertent, however, and the issues on which it attempted to seek reconsideration are significant. The Commission will therefore treat its February 27 filing as a petition to reopen the February 6 Order under Minn. Stat. § 216B.25 (1988).

The issues on which the Company seeks reopening were thoroughly argued and considered before issuance of the February 6 Order. The Commission finds that the Company's petition raises no new issues, offers no new evidence, and identifies no issues requiring further consideration by the Commission. Reopening will therefore be denied.

Clarification

The Company seeks clarification on when it should file its Load Management Rates Promotion testimony in the rate case. The Commission expected that the Company would arrange to file such testimony immediately following receipt of the February 6 Order. The most expedient course of action currently available, however, is to clarify that such testimony should be filed as soon as possible, and no later than the deadline for filing rebuttal testimony, March 27, 1990. The Commission will so order.

The Company also requested clarification that all 1990 Load Management Rates Promotion expenditures would be recoverable under CIP accounting procedures if transfer of the project to CIP were ultimately approved. The Commission will not make such a finding at this time. Generally, cost recovery issues are best addressed in conjunction with or following approval of the costs involved. Furthermore, the Company is currently collecting its full 1990 Load Management Rates Promotion budget through interim rates. Approving CIP recovery as well could therefore result in double recovery. Under these circumstances, the Commission sees no need to depart from traditional practice in this case and will consider cost recovery in the general rate case.

ORDER

1. The Company's petition for reconsideration, treated as a petition for reopening, is denied.

2. The Company shall file general rate case testimony on its proposals to increase its Load Management Rates Promotion budget, and to transfer its Load Management Rates Promotion budget to its CIP budget, as soon as possible. Such testimony shall be filed no later than March 27, 1990.
3. The Company's petition for clarification regarding future cost recovery methods for costs incurred in its Load Management Rates Promotion program is denied.
4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Lee Larson
Acting Executive Secretary

(S E A L)